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ABSTRACT

An analysis of college programs that extends beyond cost comparisons and that may improve academic decision-making is described. The framework is based on the program cost elements presented by Gonyea and Harper (1978). A hypothetical college of urban affairs is used to illustrate the program cost elements. The program includes four constants: program, students, faculty, and costs. If the four constants are translated into categories of values, emphasis may be directed to the following four academic qualifiers: programs with special meaning, programs with potential for growth, programs with regional/national prestige, and programs with "valued" faculty. A continuum is presented that describes each program by the average credit hours taught by full-time faculty. When this continuum is balanced with a program distribution that considers actual program costs, a different pattern emerges. It is concluded that there is a need to augment traditional criteria and cost measures with "value need" assessments, since budgetary decisions and program continuance are at issue. Program decisions involve the following principles: a creative approach to evaluating the role of the institution as it relates to community need; a subject weighting of quality and potential; and the institutional role in motivating both the community and the institution to address needs that might improve the quality of life in the community. (SW)

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COST vs. VALUE: ACADEMIC QUALIFIERS TO TRADITIONAL INSTITUTIONAL MEASURES OF PRODUCTIVITY

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This paper was presented at the 1982 Annual Conference of the Southern Association for Institutional Research held in Birmingham, Alabama, October 1982. It was reviewed by the SAIR Publications Committee and was judged to be of high quality and of interest to others concerned with the research in higher education. This paper has therefore been selected to be included in the ERIC collection of Conference Papers.

Gerald W. McLaughlin
President, SAIR

Cost vs Value: Academic Qualifiers to Traditional Institutional Measures of Productivity

As institutions face the issues of this decade--tighter budgets, limited resources, maturing faculties and facility renovation considerations--administrators are placing an increased emphasis on cost analysis. Generally, these cost studies use measurable outputs such as a credit hour, a contact hour, a course or a student on which to base cost (Lyons, 1978). Purposes of such analyses have been to justify budget requests, to allocate portions of the overall institutional budget on a fair and equitable basis, and to compare program costs.

Gonyea and Harper (1978) present an overview of four elements in the construction of program cost. The elements include programs, students, faculty and cost. The flow of program cost construction is shown in Figure 1 from their chapter in Analyzing and Constructing Cost (1978, p. 85). According to the authors, this figure provides a means by which policy makers can make decisions on four questions:

How much does it cost to educate a student now?

How much should it cost?

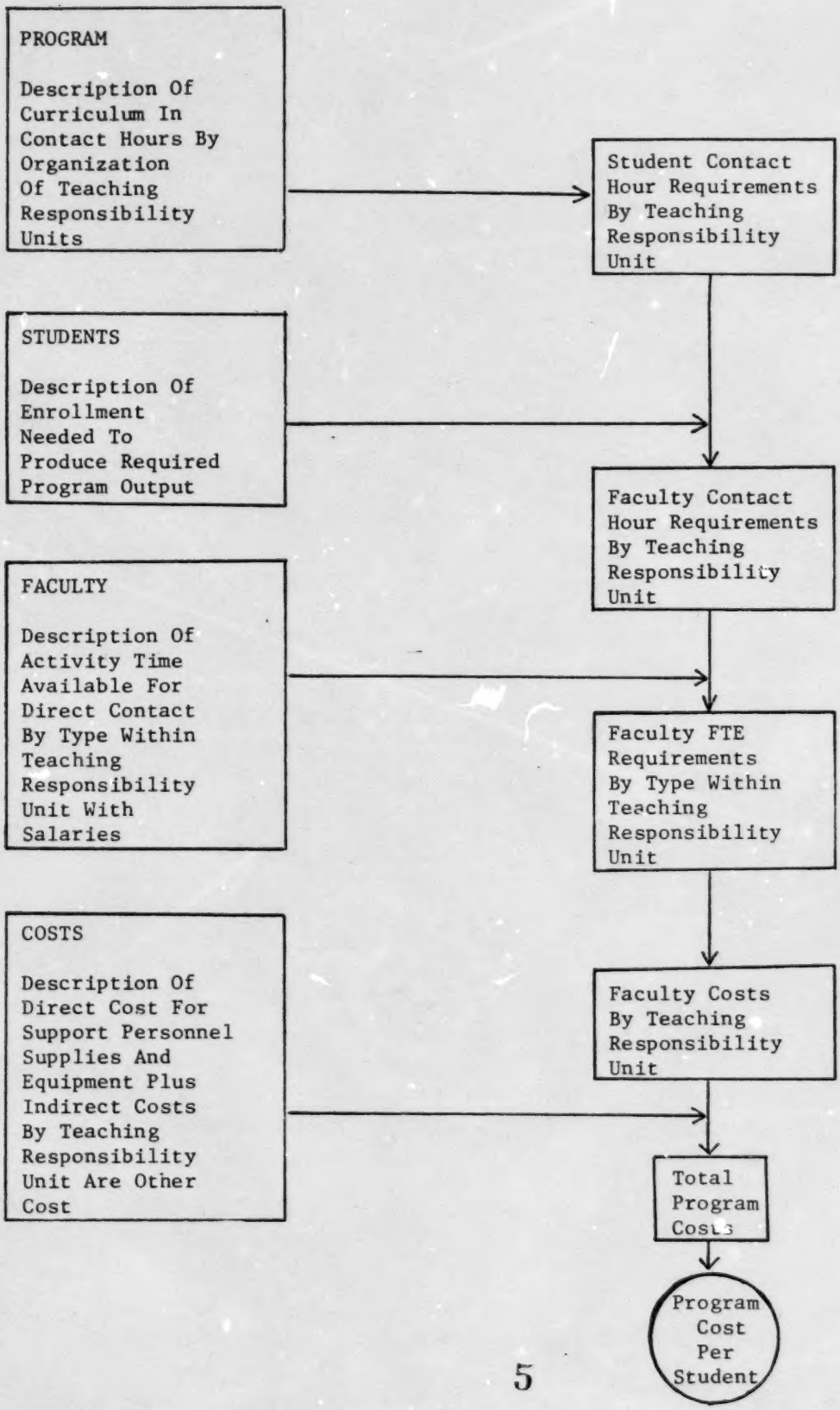
Who should pay?

How much?

The four essential elements of the figure also require academic managers to carefully describe the:

- curriculum in terms of length and faculty contact hours
- number of students and appropriate class size
- faculty responsibility in terms of time (teaching, research and service) and salary
- costs and cost relationships, revenue and support.

Figure 1. Program Cost Construction


PROGRAM
Description Of Curriculum In Contact Hours By Organization Of Teaching Responsibility Units
Student Contact Hour Requirements By Teaching Responsibility Unit
STUDENTS
Description Of Enrollment Needed To Produce Required Program Output
Faculty Contact Hour Requirements By Teaching Responsibility Unit
FACULTY
Description Of Activity Time Available For Direct Contact By Type Within Teaching Responsibility Unit With Salaries
Faculty FTE Requirements By Type Within Teaching Responsibility Unit
COSTS
Description Of Direct Cost For Support Personnel Supplies And Equipment Plus Indirect Costs By Teaching Responsibility Unit Are Other Cost
Faculty Costs By Teaching Responsibility Unit
Total Program Costs
Program Cost Per Student

Gonyea and Harper
1978

Determining program specific costs can provide helpful information to academic managers. In the past, cost analyses have been viewed by some as one answer to program management; yet many administrators have found these studies to have somewhat limited value.

It is the purpose of this paper to expand the analysis of programs beyond cost comparisons and suggest a variety of variables (some more difficult to measure than cost) which may be more valuable tools for long-term academic decision making. The program cost elements presented by Gonyea and Harper (1978) provide a valuable framework for these subjective measures.

A classical apology of sorts also becomes necessary in this framework because of an institutional dilemma that confronts us. It seems reasonable to accept the fact that deans usually have better information about their particular schools and programs, but their knowledge of the institution as a whole is not reliable. Their motives are naturally suspect (Powers, 1982). Therefore, a unique approach is needed that balances planner-manager perspectives.

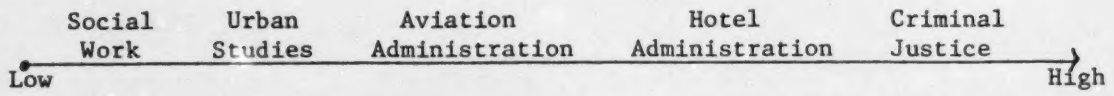
Most cost studies rely heavily upon historical information, which we maintain in abundance and call forth with abandon. Academic managers examine the studies hoping to be able to make decisions concerning efficient and effective ways to manage the future. In the absence of realistic data, the best predictor of future behavior is maintained to be past performance. Projected outcomes are usually based upon the experience and judgment of academic officers.

Let's establish and examine a hypothetical college of urban affairs and five of its hypothetical academic programs in a variety of ways to suggest a framework.

A rather common-place continuum is presented below. This continuum describes each program by the average credit hours taught by full-time faculty. We have assumed a measurable unit for analysis and placed each program in juxtaposition with other competitive programs for resources.

Figure 2

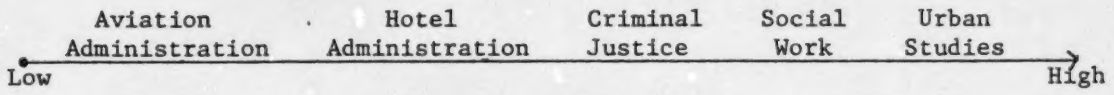
Continuum of Average Credit Hours Taught by Faculty



Now, balance this continuum with a program distribution that considers actual program costs, and a different pattern emerges. Note, for example, the Criminal Justice program faculty teaches a higher number of credit hours than Social Work, and Social Work is higher in cost to operate.

Figure 3

Continuum of Actual Program Cost



There is nothing particularly disturbing thus far, for we keep in mind that programs often operate in complex, symbiotic relationships with shared faculty, service courses, and the like.

The danger might well be that from the above type of "data" we adopt the following rather standard and simplistic formula

EA + SF = PA
(Easy Access + Swift Formula = Pat Answer)

Another formula is suggested for a better evaluation and as protection from quick thrusts of easy judgment which calls upon the four-fold constants of our framework in Figure 1: program, students, faculty, and costs.

TM + AQ = VA
(Traditional Measures + Academic Qualifiers = Value Assessment)

Academic Qualifiers

If our four constants become translated into categories of values, emphasis might be directed on the following four academic qualifiers: programs with special meaning, programs with potential for growth, programs with regional/national prestige and programs with "valued" faculty.

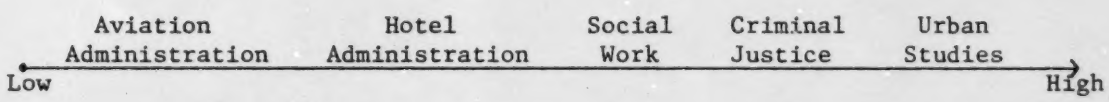
1. Programs with special institutional meaning.

Powers (1982) suggests that when termination of programs becomes an issue, the centrality of a program to the mission of the institution must be determined. In like manner, a prime "qualifier" in assessing community needs is this relationship.

Our hypothetical programs in our hypothetical college might take this form with this consideration.

Figure 4

Program "Value" Within Mission of Institution

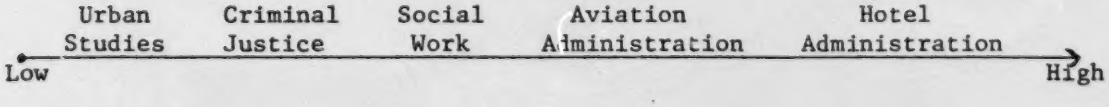


2. Programs with potential for growth.

Growth is always an elusive qualifier because it is so apparently easy to measure. Is glamour, thus student-attracting power, a "sub-qualifier" here? (Add quality, accessibility, and potential for foundation/agency support to your criteria if you are evaluating potential growth!)

Figure 5

Potential-for-Growth Program Scheme

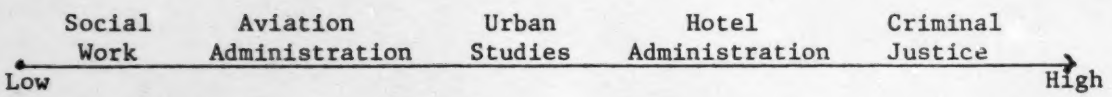


3. Programs with regional/national prestige.

Institutions in search of quality need prestige programs. Quality of programs is estimated in relation to similar efforts nationwide as well as to other comparable programs within the institution.

Figure 6

Program Prestige/Quality

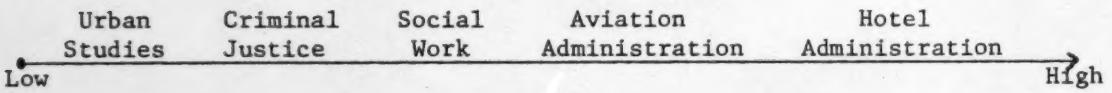


4. Programs with "valued" faculty.

Most institutions are blessed with certain "valued" faculty who have special institutional commitments. Value programs lean upon these faculty who have either been brought in or nurtured from within. And, of course and again hypothetically, another figure emerges.

Figure 7

Programs With "Valued" Faculty



A Summary

Since budgetary decisions and program continuance are the stakes in the games made necessary in the current decade, there is a need to augment traditional criteria and cost measures with value need assessments so important to the development of higher education.

Certain academic qualifiers have merit and transcend working measures which are traditionally used and are growing in popularity. These principles involve the very essence of academic management and include, among others:

1. A creative approach to evaluating the role of the institution as it relates to community need. (Interpretation vs Assessment)
2. A subject weighting of quality and potential.
3. The institutional role in motivating both the community and the institution to address needs that might improve the quality of life in the community. (Public Responsibility)

The weight of program decision should move away from the decision itself to the place where the decision is made and to those directly involved. At this point cost studies do not become as important as the qualities inherent in the institutional decision makers--another topic for another time.

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